CONFIDENTIAL

ORIGINAL

Property of: Ness, Motley
Main Pl File Room
Charleston, SC

IN THE CIRCUIT COURT
TWENTIETH JUDICIAL CIRCUIT
ST. CLAIR COUNTY, ILLINOIS
NO. 91-L-734

CHARLES KUEPER ~~and PATRICIA KUEPER, Individually, and PATRICIA KUEPER, as Mother and Next Friend of JEFFREY KUEPER,~~

Plaintiff~~s~~,

vs.

R.J. Reynolds Tobacco Co., et al. ~~R.J.R., et al, and REESE DRUGS, INC.,~~

Defendants.

DISCOVERY DEPOSITION OF:

YANCEY W. FORD

The discovery deposition of YANCEY W. FORD was taken in Meeting Room 225 of the Embassy Suites Hotel, 204 Centreport Drive, Greensboro, North Carolina, commencing at 9:55 a.m. on Friday, October 2, 1992.

produced by RJRTC
MOORE

51267 1467

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

APPEARANCES

On behalf of the Plaintiffs:

BRUCE N. COOK, ESQUIRE
Cook, Shevlin & Keefe, Ltd.
12 West Lincoln Street
Belleville, Illinois 62220

VICTOR R. COOK, ESQUIRE
Cook, Shevlin & Keefe, Ltd.
502 Public Square
Benton, Illinois 62812

On behalf of ~~R.J.R.~~: R.J. Reynolds Tobacco Co.

PAUL G. CRIST, ESQUIRE
Jones, Day, Reavis & Pogue
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114

RICHARD E. BOYLE, ESQUIRE
Gundlach, Lee, Eggmann, Boyle & Roessler
5000 West Main Street
Box 899
Belleville, Illinois 62223

On behalf of Reese Drugs, Inc.:

MICHAEL J. NESTER, ESQUIRE
Donovan, Rose, Nester & Szewczyk, P.C.
8 East Washington Street
Belleville, Illinois 62220

Also Present:

DANIEL W. DONAHUE
Vice President & Deputy General Counsel--
Litigation
R.J. Reynolds Tobacco Co.

SANDRA HARPER, NOTARY PUBLIC AND COURT REPORTER

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

STIPULATIONS

This discovery deposition is being taken pursuant to the Rules of the Supreme Court of the State of Illinois.

produced by RJRTC in MOORE

51267 1470

http://legacy.library.ucsf.edu/tid/ghh07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

WHEREUPON,

YANCEY W. FORD

first being duly sworn, testified as follows:

MR. CRIST: Let me renew the objections as pertinent from the last deposition for this deposition as well.

MR. COOK: Sure. Let me state this on the record, and I'll try to remember to write you; but I want to state on the record for myself more than anything else that one of the documents that you have produced to me at my request was RJR Videotape Catalog and from that Videotape Catalog, I would like you to produce to me Smoking Tests located on page 21 and it's numbered I-80. I would like the General Entertainment Videos that are found on page--I'll give you this just in case you don't have anything to do--on page 18, and they would include--page 19. I'm sorry. It's strange; you have all kinds of different pages in here. Well, let me tell you which ones I want by number--M-13, M-15--

MR. CRIST: Wait a minute. Okay. Go ahead.

MR. COOK: M-20, M-22, M-33, M-34, M-38 and M-41--I want the Houston Billboard Program, A-4, which you can find on one of the page 18s, the Camel GT, A-5, Camel GT, A-6, Quality at RJR, A-11, and that's a

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

A It does.

Q What was your major field of study?

A Business administration.

Q And following your graduation, could you give us kind of an oral C.V., where you worked, what you did?

A I graduated June 3; I came to work for Reynolds Tobacco June 11.

Q You've worked there ever since?

A I've been here ever since.

Q What brand of cigarette do you smoke?

A I don't smoke.

Q You don't; have you ever?

A Oh, yes.

Q When did you quit?

A 1969.

Q Did you have any difficulty quitting?

A Not at all.

Q Does your wife smoke?

A She does not.

Q How about your children?

A I don't have any children.

Q Has your wife ever smoked?

A Not to my knowledge, no.

Q When you smoked what brand did you smoke?

A Camels, and I think I was smoking Salem when I

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

quit.

Q Would you characterize yourself as a light or heavy smoker?

A I smoked probably a couple of packs a day.

Q Did you ever smoke one right after you got out of bed in the morning?

A Probably.

Q I know a lot of people who smoke. There are some people who couldn't stand a cigarette until afternoon which included me. There are other people who have to have a cigarette or feel like they want a cigarette immediately when they get up and some people before their feet hit the floor have a cigarette. Were you one of those types of people?

MR. CRIST: Object to the form of the question.

THE WITNESS: I don't think I had to have a cigarette before I hit the floor. I would usually have one with a cup of coffee.

Q (By Mr. Cook) In the morning?

A Uh-huh.

Q Okay. Could you tell me briefly what your career--your positions were starting with your first one until Executive Vice President of Sales?

A Okay. I started like I said June 11, 1962, in Alexandria, Virginia. I was a Retail Sales Rep responsible

produced by RJRTC
MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

for everything from the 14th Street bridge to Dumfree's in Virginia and east of the Shirley Highway to the Potomac River. In 1965 I was promoted to Assistant Division Manager in the Washington, D.C., division and in 1967 I was brought into Winston-Salem in the area of Sales Training and Development. I spent approximately one year in a training position in that area. I moved the last of I guess '68 to Marketing and worked on Salem and Camel brands. In 1968 I was promoted to Division Manager in New Haven, Connecticut. I left Connecticut in 1970 and went to Pittsburgh--I mean, excuse me, correction, I went to Detroit as an Assistant Regional Manager. I was in Detroit for really about a year and a half and then I was not promoted but sent to Pittsburgh to run the Pittsburgh Region while one of our employees or the Regional Sales Manager had a heart attack and was recovering from that. In 1972, April, I came back and was promoted to National Vending Manager here in Winston-Salem. In '74 I was sent--I was promoted to Assistant Zone Manager in the Northeast. That same year I was promoted to Zone Sales Manager on the West Coast. In '75 I guess it was I was promoted to Market Development Manager. In '76 I came back to the Sales Department as Director of Specialty Sales. In '77 I went back to Marketing as a Metro Market Manager. In '78 I came back to Sales in Sales Planning. In '79 I was promoted to

produced by RJRTC in MOORE

51267 1475

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

Director of Sales for the Southeast. In '82 I was promoted to Group Director of Sales Operations. In '85 I guess or '86, somewhere in that period, I was promoted to Vice President of Field Sales and subsequently to Senior Vice President of Field Sales. In '88 I was made Executive Vice President and General Manager of the RJR Sales Company and in '89 I was promoted to my current position.

Q Are you on the Board of Directors of RJRT?

A I am not.

Q Have you ever been?

A I have been.

Q When were you?

A I was on the Board--I'm trying to--1988, the latter part of '88.

Q Why are you not on the Board?

A Under the reorganization plan when the LBO occurred, basically the company was reorganized. The Board was reduced substantially from I think it was probably ten or twelve of us to three or four as I recall, and I don't know the exact number. I think there's about four people on it now.

Q Who is on that now?

A Well, obviously Jim Johnston is, Dave Anderson, and I believe this; I'm not--

Q Sure.

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

think it may have been Lorillard--two packs of cigarettes, and you get a T-shirt.

A Uh-huh.

Q Do you do that type of thing--not T-shirts but other things like I bought one where you have a pair of sunglasses with a pack of Winston cigarettes?

A Uh-huh, we do promotional works.

Q Is that done under your direction?

A It is done--the implementation side of it is done under my direction, yes.

Q Do you consider promotional work artistic or sales or a combination of both? Who makes their mind up as to we're going to give out glasses, and they're going to give out T-shirts type of things?

A It is done through a combination of Sales and Marketing working together and then the decision is made. There's a menu of items and our field people have the option of selecting specifically which item they want to work in a call based on what they perceive to be the benefit in that particular call.

Q That menu is published I take it and published to me means written?

A Yes.

Q So in other words if you went--if in your particular sales area you thought that Joe Camel T-shirts

produced by RJRTC in MOORE

51267 1478

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q You want people to buy your cigarettes?

A Well, we want--people that smoke, we want them to try our brands, yes, convert to our brands.

Q And that's what I said; isn't it? Do you not want people to buy your cigarettes?

A We want smokers to buy our cigarettes.

Q You don't want people to start smoking?

A That is our position and our policy.

Q Okay. Now if people start smoking--of course, if people don't start smoking, your industry will be dead in a very short order; will it not?

A That is correct.

Q Okay. So you expect it to die when?

A I don't know that I could answer that.

Q Why don't you want people to start smoking?

A We don't encourage anyone to smoke. We think that's a decision that they should--

Q No, no, no, I didn't ask you that. I understand; they can write that out, and you can just hand it to her, whatever you want to say. Why don't you want people to smoke? You want people to smoke; don't you?

A I think if a person chooses to smoke, that's their decision.

Q I understand it's their decision; I really do. You don't make anybody smoke; do you?

produced by RJRTC
MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

A I remember Chicago had an ordinance many years ago that you had to have remote control devices on machines in order to restrict access to them.

Q Did you approve of that personally?

A That was the law in that jurisdiction so obviously we supported those particular laws.

Q You thought that was a good idea; did you?

A I had no problem with it.

Q There really shouldn't be any problem with restricting the use of vending machines; should there? I mean, vending machines have a hard time telling how old somebody is; don't they?

A That's correct and most vending machines today are restricted in terms of where they can be placed anyway because of the value of the product, the value of the coins in them and also the fact that, you know, a vendor, he determines where they are, where the machines are. We do not have any control over specifically where those particular machines are or are not placed any more than we have control over where a supermarket builds a store or a chain or a convenience store operator determines where his particular convenience stores are going to be located.

Q I just want you to assume for a minute that RJR in the past has objected to restrictions in the use of vending machines; just assume that.

produced by RJRTC in MOORE

51267 1482

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

A Okay.

Q Do you know if it's true or not by the way?

A We're under assumptions; I don't know.

Q You never heard that RJR ever objected to the unrestricted use of vending machines in the past?

A Not that I know of.

Q Now can you think of a reason why if you assume that RJR did object to restrictions on the use of vending machines, why they would object to those restrictions?

MR. CRIST: Object to the hypothetical nature of the question. Object to its form. Go ahead and answer it.

THE WITNESS: I'm not sure where we're heading with this.

MR. COOK: Well, you're not supposed to be sure of that. You're supposed to answer my question.

THE WITNESS: And I'm trying to, sir.

Q (By Mr. Cook) All right. My question is, I want you to assume that your company objected as they did by the way--

A Okay.

Q --to restrictions in the use of vending machines in the past--

A Okay.

Q --and I'm trying to find out from you since

produced by RJRTC
MOORE
51267 1483

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

you're an Executive Vice President what rationale, what rationale as one of my law professors would have said, could there be for a cigarette company to object to restrictions on the use of vending machines?

MR. CRIST: Object to the form of the question.

MR. COOK: If you know of any.

THE WITNESS: I would think that certainly--the only thing I could think of would be in the area of the trade itself. We obviously--the vending companies, we cannot tell them what to do, how to run their business. We have to do business with them. That would be the only rationale I can think of and there may be others, but I don't know.

Q (By Mr. Cook) I'm going to ask you to assume that your company publicly objected--

A Okay.

Q --to restrictions--any restrictions being placed on the use of vending machines. Why would you care? I mean, is there any reason you can think of as to why you would care that vending machines would be restricted?

MR. CRIST: Object to the form of the question, and I object because I think it's been asked and answered. Isn't that the same question, Bruce?

MR. COOK: No, it's different.

MR. CRIST: I don't understand the difference.

produced by RJRTC
MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

MR. COOK: Well, perhaps he does.

THE WITNESS: I don't either. I'm sorry.

Q (By Mr. Cook) So your answer is the same as it was to my previous question?

A It's the same.

Q I mean, do you have to appease the vending machine owners?

A No, but we have to do business with them.

Q Why do you have to do business with them?

A They are a legitimate form of retail sales.

Q Well, you want to do business with them?

A Sure.

Q You don't have to do business with them?

A I don't have to, no, but they are a legitimate business; and we want to do business.

Q And they sell your product?

A Sure.

Q And that's one of your goals is to sell your product; is that right?

A Absolutely.

Q Mr. Ford, I've noticed around here and in my own community until just recently that there are a lot of billboards advertising cigarettes; do you notice those from time to time?

A Yes, absolutely.

produced by RJRTC in MOORE

51267 1485

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q I don't want to talk about your company; I want to talk about Philip Morris, one of your competitors.

A Uh-huh.

Q I guess they are your principal competitor?

A Primarily, yes.

Q Let me ask one other question before I get into generic questions about advertising on billboards just as a curiosity. The Camel logo, Joe Camel--

A Uh-huh.

Q --seems to me to be very popular; you see it on billboards, and you see it a lot of places. Has there been an increase in market share in the last year or two for Camels?

A Uh-huh.

Q I thought so. Camels' competitor would be--well, they would compete with Winstons but Camel also competes with Marlboro?

A Marlboro primarily.

Q What has been the increase in market share for Camel?

A It--and I can't recall exactly but it's gone from 4.0 to 4.3 shares, something in that range, about ~~three~~ .3 points.

Q That means a lot of money, doesn't it, three tenths of--

produced by RJRTC in MOORE

51267 1486

http://legacy.library.ucsf.edu/tid/ghh07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

A It means some money, yes.

Q How much money does it take to manufacture a cigarette or a pack of cigarettes?

A I don't have that information with me. I don't recall.

Q Have you ever heard the saying that it takes a penny to manufacture them, and you sell them for $1; and they're addicting? Have you ever heard that?

A I've heard that statement, but I'm not sure it's true.

Q Certainly with respect to its addiction, that was not true of you?

A That's true of probably 35 or 40 million people in the U.S. who have quit.

Q Do you have any idea how many voluntary users of heroine have quit?

A I have no idea.

Q Almost the same amount.

A Forty million?

Q Well, almost--

A I find that hard to believe.

Q The same percentage--there aren't that many users of--

A I find that hard to believe.

Q Do you find that hard to believe?

produced by RJRTC
MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

A That 40 million--

Q No, no, no, it's the same percentage. There aren't as many heroine users as there are tobacco smokers. They're not allowed to advertise, Mr. Ford.

MR. CRIST: Object to the colloquy there, Bruce.

Q (By Mr. Cook) Do you participate in the thing where--there's something that you can send in and get a Camel T-shirt right now from RJR, isn't there; isn't there a program like that?

A It could very well be. I'm not--

Q I believe you have to sign a thing saying you're over 21 years old?

A That's correct.

Q Do you drink?

A Occasionally.

Q Did you drink before you were 21?

A Occasionally.

Q I was in the Navy before I was 21.

MR. CRIST: You didn't drink, Bruce?

MR. COOK: Everything I could get, and I've never changed.

Q (By Mr. Cook) Do you do anything--are you aware if you do anything to see whether or not the people who are ordering the Camel T-shirts are, in fact--or Camel cigarettes, you'll mail those out too--whether or not they

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ahn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

are, in fact, 21 other than the fact that they sign something that says they're 21?

A I am not really familiar with how the details of that works.

Q Who would be, Dave Iaucco?

A Dave would be.

Q Now talking about Philip Morris and their advertising, something I don't understand is they've got some old guy with a cowboy hat right downtown up there smoking a cigarette kind of squinting. He looks like he's older than I am. Have you seen that one? He isn't doing anything; he isn't roping anybody or anything like that. He's just sitting there smoking.

A Uh-huh.

Q How in the hell does that help people sell cigarettes?

A Well, it's an image that they are projecting.

Q Cowboys?

A Cowboys, independence possibly, masculinity, and I'm sure there are other issues or other things that they're seeing there.

Q I mean, people just ride by--I assume that those things are expensive. Maybe one sign is not expensive but as far as I'm able to see at least in the United States the use of billboards for the promoting of cigarettes is

produced by RJRTC

IN MORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

nationwide?

A Uh-huh, I think so; there may be some areas that they are prohibited, but I don't know where they may be.

Q What amount of money is spent annually by RJR on billboards?

A I don't--well go--were you going--

MR. CRIST: Well, if you don't know--

MR. COOK: If he doesn't know--

MR. CRIST: I was concerned about the confidentiality aspect of this.

THE WITNESS: I don't deal with those issues.

MR. CRIST; Off the record.

(Discussion off the record)

MR. CRIST: Back on the record.

Q (By Mr. Cook) Would it be fair--you were on the Executive Board; would it be more than millions of dollars, more than $2 million?

MR. CRIST: Are you talking about the Board of Directors, Bruce?

MR. COOK: He was on the Board of Directors, and I assume he has some knowledge about how much money is spent on that particular type of advertising.

MR. CRIST: You said "Executive Board"; that's why I asked.

THE WITNESS: It certainly--it would be in the

produced by RJRTC in MOORE

51267 1490

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

millions but it would not be--

Q (By Mr. Cook) A zillion?

A A zillion.

Q It wouldn't pay off the bonded indebtedness of the United States I assume?

MR. CRIST: It wouldn't even pay off the bonded indebtedness of Reynolds. Off the record.

(Discussion off the record)

MR. CRIST: Back on the record.

Q (By Mr. Cook) Is this cowboy thing making people--in other words they're riding past these things and when they see them, they think about Marlboros and masculinity, Marlboros and the outdoors, Marlboros and cowboys, the great American heroes? Does that carry through kind of to the giving of promotional items in stores and things like that; I mean, is it the same logic?

MR. CRIST: Object to the form of the question or questions.

Q (By Mr. Cook) Well, I'm trying to understand. It seems to me like it's very expensive to give this junk away--I mean, junk--these items of value away. It has to be expensive; doesn't it? I mean, the sunglasses I bought seem to be quite nice. As a matter of fact, I smoked the cigarettes too, and they were excellent. Do you only do this because you have to do it because your opponents do

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghh07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

it?

A Well, it's--our competition does it so obviously the consumers are looking--smokers are looking for value today and this is a form of value that they are receiving. I would guess that Philip Morris feels like they're extending whatever imagery they have by doing it that way. I cannot speak for them.

Q I'm going to give you some word association tests; are you good at these?

A Probably not.

Q How about, "You can take Salem out of the country but"--

A "I don't think you can take Salem out of the country," or "You can't take the country out of Salem"; that's what it was.

Q "Winstons taste good like"?

A "A cigarette should."

Q Do you remember what the theme to the Marlboro man was?

A Was it the "Magnificent Seven"?

Q It sure was. How about, "Calling for"?

A "Philip Morris."

Q "LSMF"?

A "T."

Q "Four out of five doctors prefer"?

produced by RJRTC

MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

A I believe it was Camels.

Q Do you recall ever reading that anywhere?

A I saw an ad, an old ad somewhere in the building and "the building" means the Reynolds Building.

Q You recall that from when you were a kid though too being on radio and television?

A You know, I don't recall those things as a kid.

Q You just don't have any specific recollection of them, whether they were or not?

A They could have been there. I don't--

Q Did you have magazines in your home when you were a kid?

A Sure.

Q In addition to billboards and newspaper advertisements, the cigarette companies have in the past advertised on public transportation; have they not?

A That's correct.

Q Do you still do that?

A I believe we do.

Q Where you're allowed?

A I believe there are some areas that prohibit that; I'm not sure which ones. That's a Marketing area; I don't get involved in it.

Q When areas like California or Oregon or places like that have propositions to limit the rights of smokers

produced by RJRTC in MOORE

51267 1493

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

one way or another, do you pay particular attention to those things?

A Yes, we do.

Q I meant you personally, Mr. Ford; I know your company does.

A Yeah, I read those things in the Clipping Services that we see that such and such a state is trying to ban--

Q Do you object to that type of activity or do you think it's a portion of American democracy?

A I think that's protected under the Bill of Rights.

Q What, the right to smoke?

A No, the right to--

Q To try and prohibit it?

A Prohibit it or the right to smoke also.

Q Do you think the majority rules?

A We are a country of minorities.

Q Remember what Toquillville said about the "Tyranny of the Majority"--I'm sure you remember that?

A I'm sorry; I don't.

Q Well, I thought it was required reading down here in North Carolina. Are you concerned about the number of children who smoke?

A Yes.

produced by RJRTC
MOORE in

http://legacy.library.ucsf.edu/tid/ghh07a00/pdf Go to http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q Do you personally think that children should not smoke?

A Yes, I do.

Q Mr. Ford, you and I are of an age. Where did you go to high school?

A Madison County High School in Madison, Virginia.

Q How big was that school?

A There were 46 in my senior class.

Q I went to East Saint Louis Senior High School and it was considerably larger than that. It was an urban high school and my question is going to have to do with--did you graduate from high school in 1968?

A '58.

Q See, I wouldn't remember, Mr. Ford, because I was thrown out in 1956.

MR. CRIST: That was a horrible insult. He graduated from high school when he was 28 years old.

MR. COOK: Well, that's better than me--not at all for Christ's sake.

THE WITNESS: I thought it was just a slip.

Q (By Mr. Cook) In my homeroom in high school which unfortunately was larger than your entire senior class--I wouldn't know how large my senior class was because I didn't get to see them, but I can recall the people, the guys who did not smoke. I have a hard time

produced by RJRTC

MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

remembering who did smoke, but I can remember who didn't smoke because we all smoked. Did most of the people in your senior class, at least the boys, smoke?

A I don't think so.

Q When you graduated from high school, of course, that was before the Surgeon General's Report and the big cancer scare?

A Well, that was before the Surgeon General's Report. I think there was an awareness of smoking back in those days.

Q What I remember when I was a child was that--or when I was young is that they used to go around and tell us that cigarette smoking would stunt your growth.

A Yeah, I heard the same thing.

Q I don't think I ever heard, that I recall, that it caused lung cancer.

A Well, I guess we--I heard they were "cancer sticks" and "coffin nails" and would stunt your growth and all of those descriptions.

Q It's nice that you remembered that. Why don't you get him a published list?

MR. CRIST: I object to that.

Q (By Mr. Cook) Do you think that you had an understanding when you were in high school that cigarette smoking caused cancer?

produced by RJRTC in MOORE

51267 1496

http://legacy.library.ucsf.edu/tid/ohh07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

A I think there was an association between smoking and diseases. I don't know the exact cause and effect relationship or--I'm aware of those descriptions that I just mentioned to you earlier about how cigarettes were referred to as "cancer sticks" or "coffin nails" and--

Q Did you smoke in high school?

A No, I did not.

Q When did you start?

A When I was a freshman in college.

Q So when you were about 18 or 19?

A I was 18.

Q Had you tried cigarettes when you were in high school?

A One.

Q Jesus Christ. You guys are a bunch of daredevils.

A Well, I played a lot of sports.

Q They used to say smoking affected your wind too.

A That's right.

Q Does it?

A I don't know.

Q What do you think?

A I've seen a lot of guys that smoke that can run and do lots of athletic things.

Q So your opinion would be that you don't think it

produced by RJRTC
in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghr07e00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

affects your wind; you think that was an old wives' tale?

A It could be.

Q Well, do you think if you pick up a toad frog that it will give you warts?

A No, not really.

Q You've heard that; haven't you?

A Sure.

Q I really wasn't trying to be funny. I was trying to find out--there were things that we were told when we were young, and I guess some people believed them but do you put "Smoking will reduce your wind" in the same category as "If you pick up a toad frog you'll get warts"?

A Probably not.

Q Mr. Ford, how much are you paid by RJR, sir?

A In what form?

Q In the form of money.

A I have a base salary that is $220,000. I have a target bonus of $~~141,000~~ 121,000 and do we include--

Q Stock options, things like that, yes, lump them all in there.

A Like a perk package, and I believe it's $32,500 or something like that. The rest of it--that's it.

Q Do you participate in the stock option program?

A I own stock in the company.

Q How much?

produced by RJRTC in MOORE

51267 1498

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

A I have a total with options of 500,000 shares.

MR. CRIST: Bruce, I don't think any of this is public and, therefore, I would appreciate if we could treat this part as confidential.

MR. COOK: I've not seen any reason to give anybody--I've not communicated with your opponents in other cases. I really don't care about that. That's why Ross Perot and I get along so well--overwhelming ego, but at some time or another you're going to have to look through these things especially the depositions and point out what things that you truly don't want released to anybody because I will--and make a point and if I don't agree with you--for example, I would never have any reason to release Mr. Ford's compensation, but I might do it inadvertently and so I'm just going to tell you that you're going to have to do that sometime or another when when we're through with this. I'm not going to do it before we--

MR. CRIST: Bruce, we have tried to designate on the deposition transcripts.

MR. COOK: Well, see, I'm not going to go back through them. If I don't call, for example, Mr. Ford as a witness in this trial which I don't know whether I will or not, I'll never look at these depositions

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

and there will be a period of time when your buddy, Dick Daynard, is going to come to me I assume and say, "What can we have," and I'm going to say, "You can have everything."

MR. CRIST: I've never met Mr. Daynard. In addition to that--

MR. COOK: Well, he likes you. Well, I'm just warning you. As just a point on the record, I'm just telling you what's going to occur so at one period of time you're going to--when we're through with this, you're going to want to come look through my file which I will make open to you, and you can go through these type of things. I don't want to embarrass Mr. Ford on one hand and on the other hand, I don't--assuming--you know, the record from reading the paper is 319 to 1. I would assume that I'm going to lose, and I'm just doing this out of Christian charity, Mr. Ford.

MR. CRIST: I don't know about 319 but it's 0. In addition--

MR. COOK: Well that's true except 1 is reversed; isn't it?

MR. CRIST: Yes. In addition--

MR. COOK: You've won them all but in any event--

MR. CRIST: On the documents, Bruce, the

produced by RJRTC in MOORE

51267 1500

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

documents we have designated confidential--

MR. COOK: I don't pay any attention to what you do. I just want you to know that.

MR. CRIST: Well, we would appreciate the opportunity of coming and doing that. Yes, I understand.

MR. COOK: Off the record.

(Discussion off the record)

MR. COOK: Back on the record.

Q (By Mr. Cook) Mr. Ford, let me get an idea--have you prepared your 1991 tax return?

A Have I prepared it?

Q Has somebody prepared it and filed it?

A Yes.

Q Would your income have been somewhere between $400,000 and $500,000?

A It's probably more than that. I don't recall the specific number. We can get it if--

Q Okay. No, no, no, Mr. Ford, if you come to the trial, I promise you you'll bring it with you.

A Okay.

MR. COOK: That's one of my 237 notices, that all of your witnesses bring their tax returns. You'll be getting those, but you can get prepared for it.

Q (By Mr. Cook) Mr. Ford, this controversy that

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

exists in the United States with respect to cigarette smoking and health, you're generally aware of that; aren't you?

A Yes, I am.

Q I would assume also that you're not a scientist, and you don't know what causes or what doesn't cause appendicitis?

A That is correct; I am not a scientist, and I am not a medical doctor.

Q And you don't know what causes appendicitis?

A That is correct.

Q And you don't know what causes cancer either?

A That is correct.

Q And you know that the Surgeon General of the United States has said that cigarette smoking causes lung cancer; you know that, don't you?

A Yes, I do.

Q And you know that the World Health Organization agrees with him?

A That's correct.

Q The National Institute of Health agrees with him?

A Yes.

Q The American Cancer Society?

A Yes.

Q The Parents/Teachers Association of the United

produced by RJRTC
MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghh07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

States agrees with that; do you know that?

A I have not seen that, but I wouldn't be surprised.

Q The American Medical Association agrees with that; you're aware of that, are you not?

A I would--generally speaking I'm sure they are.

Q Do you think that there is any specialty in the practice of medicine of pulmonology--do you know what pulmonology is?

A The study of the--

Q Lung.

A Lung.

Q Cardiology?

A The heart.

Q Gastroenterology, and I pronounce that wrong?

A The intestines.

Q Would you probably think that most of those people think there's a relationship between disease and cigarette smoking, most of those organizations?

A I would guess most of them would.

Q Otolaryngology and rhino?

A What?

Q Ears, nose and throat--they don't like to be called ENT anymore; they like--otolaryngology is throat and ears and rhino is a guy that also specializes in the nose.

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocumentslibrary.ucsf.edu/docs/nmxl0001

Do you know of any reputable health organization who disputes the relationship between cigarette smoking and lung cancer?

A Not to my knowledge.

Q I bet since you're an executive with RJR that you know that some people say that the causal relationship between cigarette smoking and cancer is not proven; you know that too, do you not?

A That's correct.

Q Do you ever take Aspirin?

A Occasionally.

Q Are you aware of the fact that--you take it for the headache; don't you?

A Headache, fever.

Q You know that Aspirin works on those things, don't you; they've worked on you?

A Yes.

Q Do you know that doctors don't know how Aspirin works?

A I have heard that.

Q That doesn't mean they don't work; does it?

A That's correct.

Q Given all that and all of these people's positions, I--you know, you seem like a nice man; are you concerned about the fact that the product you sell, if the

produced by RJRTC
in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Powered by www.industrydocuments.ucsf.edu/docs/nmxl0001

Surgeon General is right, causes 1,000 deaths a day?

A Well, once again that's the Surgeon General's opinion based on--

Q Right. I asked you to assume that he's right.

A I understand what he's saying but once again I think it's a matter of cause and effect. I think if we could find out the cause, I believe that it would be a tremendous challenge for our group to have the opportunity to look at how to solve this problem, our R&D Department, and I believe if they could isolate those issues in smoke that create the alleged problems, then it would certainly be something that we would want to do.

Q You have some very talented scientists who work here?

A That's what I understand. I have very little contact with them.

Q You answered one question, but you didn't answer the one that I asked. I asked you to assume that the Surgeon General is right, and you really don't have any real reason to doubt--

A Well--

Q He's a doctor; you're not--she's a doctor; you're not?

A That is correct.

Q Okay. And she/he says and all of Koop's

produced by RJRTC
in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocumentslibrary.ucsf.edu/docs/nmxl0001

predecessors back to 1962 all say that cigarette smoking causes lung cancer, and they're physicians and this is their job. Now my question was, if you assume you're right which I know you don't, are you concerned about the fact, Mr. Ford, as a human being that if they're right, cigarette smoking causes 1,000 deaths a day?

MR. CRIST: Object to the form of the question. Go ahead.

THE WITNESS: Well, first of all I don't know that those numbers are correct.

MR. COOK: I've got the book.

THE WITNESS: I know, and I don't need to see it.

MR. COOK: I asked you to assume that the Surgeon General is not full of bologna.

THE WITNESS: Am I concerned?

MR. COOK: Yes.

THE WITNESS: I think people that smoke have to take risks or assume a risk when they do so. I think that is a known fact. Am I concerned, sure, but once again I come back to the fact that we don't know what causes that.

Q (By Mr. Cook) I understand and as a matter of fact for answering any questions from now on, I would agree that you would put that phrase on the last part of every sentence that you do--we don't know--because I

produced by RJRTC
Jim MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

understand that's your position. What I'm trying to find out is--you as a human being, you're out there--see, I see you; you're obviously a nice man, and I see you as another human being. I look at you, and I can tell by looking at you that you don't want to hurt any other human being; do you?

MR. CRIST: Object to the form of the question.

Q (By Mr. Cook) You don't have any reason to hurt--

A No.

Q And yet you are the Executive Vice President who is in charge of selling a product to American people that supposedly causes 1,000 of them a day to die. In three years more people die from smoking cigarettes according to the Surgeon General than Americans died in World War II.

MR. CRIST: I object to the form of the non-question.

Q (By Mr. Cook) Do you have any guilt at all about this; that's really what I'm asking you?

MR. CRIST: Object to the form of the question.

THE WITNESS: First of all I started with this company in 1962. It was our position then and it is our position today that we don't encourage anyone to smoke. Those people that, choose to use cigarettes, we hope they will use one of our brands.

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q (By Mr. Cook) It was your position then and your position today that your company doesn't know whether or not cigarette smoking is safe or not?

A That is correct.

Q You don't think it would be appropriate for you to advertise cigarettes as being safe for people to use; do you?

A No, I think people have been adequately warned.

Q I didn't ask you that, sir. All these things that you feel that you have to add for the company, you know, you can write me a note and tell me that. My question to you, Mr. Ford, and I understand that you have a responsibility here; and I'm not really trying to be objectionable to you but what I asked you was, you don't think it would be appropriate for the company to advertise that cigarette smoking was safe; do you?

MR. CRIST: I object to the front end of that, Bruce.

THE WITNESS: No, I do not.

Q (By Mr. Cook) Now do you have any reason to believe that the epidemiological studies that the Surgeon General bases his decisions on are fabricated?

A No, I have no--

Q Do you think it would be appropriate for the manufacturer of cigarettes to go around and say, "Hey, the

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Surgeon General is making this all up"?

MR. CRIST: Object to the form of the question.

Q (By Mr. Cook) You don't think that would be appropriate either?

A No.

Q Because that would tend to mislead the person who is making the adult decision as to whether or not they are going to assume the risk or not; isn't that true?

MR. CRIST: Object to the form of the question.

THE WITNESS: Would you repeat the question?

MR. COOK: Sure.

Q (By Mr. Cook) The reason why you as a human being and as an executive of RJR wouldn't agree with going around making public statements--going around saying, "Hey, the Surgeon General has made all of this up; these statistics are bologna, and they came out of an article in "Reader's Digest," which strangely enough I really wasn't thinking about that. I was thinking about the Mormon Creed which they said, you know, came out of an article in "Reader's Digest."

MR. CRIST: I've never heard that.

MR. COOK: Oh, haven't you really? It's very interesting. "Reader's Digest" has been responsible for a lot.

Q (By Mr. Cook) If I understand, you think that

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

adults have the right to make a decision whether or not they want to smoke cigarettes or not?

A That is correct.

Q And you think that they have been adequately informed as to the fact that there are certain risks associated with smoking cigarettes?

A Yes.

Q And you think that they should be aware of those facts when they make the decision; otherwise, they can't make an intelligent decision, can they?

A I think they are aware of it.

Q All right. But I didn't ask you if they were aware--

MR. CRIST: Don't get argumentative, Bruce.

MR. COOK: I want him to try and answer my questions. I didn't ask him if he thinks--

Q (By Mr. Cook) Now let me ask you this. Do you think people are aware of the risks associated with smoking, Mr. Ford?

A Yes, I do.

Q All right. Now do you think that I asked you that question on the question before the last question?

A I don't remember what your question was before the last question.

MR. COOK: Okay. Just so that we get an answer

produced by R.J.R.T.C. in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

to the question I asked before the last question, can you repeat it?

(The last question read back by the Court Reporter)

Q (By Mr. Cook) Your last answer to my question was that you think that people are aware of the health hazards associated with smoking cigarettes?

A Yes, I do.

Q Do you think people believe that if they smoke cigarettes that they will get lung cancer?

A I don't know; I don't know the answer to that.

Q When you smoked, did you believe that if you continued to smoke that you would get lung cancer?

A No, I did not.

Q Did you have any idea in--did you say in 1969 you quit, I believe you did?

A That is correct.

Q --in 1969 what chronic obstructive pulmonary disease was?

A I am not sure that I knew all the medical terminology--if you could put that in layman's language.

Q Do you know what COPD is now?

A No, I do not.

Q It would include emphysema, that type of thing.

A Okay.

produced by RJRTC
in
MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q Now given all of these things, that you think that adults should make a decision and it should be based on the knowledge that at least medical associations say that there is a--and the Surgeon General say that there is a risk associated with cigarette smoking and if you smoke, and you're an adult, you assume that risk--

A Uh-huh.

Q --given all those facts, do you think it would be a good idea, an ethical idea, for RJR to come out and say tomorrow morning, "Surgeon General Koop fabricated his studies"?

MR. CRIST: Object to the form of the question on the basis that it's hypothetical.

THE WITNESS: I'd still have to--the question is, did Koop fabricate those studies and should Reynolds say that, no.

MR. COOK: All right.

THE WITNESS: I think he has the right to his opinion.

Q (By Mr. Cook) My point really is that if you go out, and you say these studies are fabricated, then that will affect the decision that the smokers make; they'll think ah-ha, and you agree with that?

A Uh-huh.

MR. CRIST: I object to the hypothetical nature

produced by RJRTC
MOORE in

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

of the question or questions.

MR. COOK: Did you get his answer?

COURT REPORTER: "Uh-huh" I think.

MR. COOK: Okay. That was an affirmative; he said, "Uh-huh."

THE WITNESS: I'm not sure; would you repeat the question?

Q (By Mr. Cook) Well, the question was, if you go out and attack the basis of the Surgeon General's Report--if you take big ads out saying, "The Surgeon General says cigarette smoking may be associated with lung disease, but we think that's horse-hockey"--

A Okay.

Q --that would not be a good thing as far as the adults who are making a decision to smoke or not?

MR. CRIST: Object to the form of the question, Bruce. There are so many different levels of analyses there.

THE WITNESS: I don't think we would do that.

Q (By Mr. Cook) If you want adults to make a decision based on the fact that there are risks associated or that may be associated with smoking, attacking the risks would affect--might affect their decisions; is that true?

MR. CRIST: Object to the form of the question. It's hypothetical in nature.

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

THE WITNESS: It could change I guess.

Q (By Mr. Cook) Right. I mean, if one person says the world is flat and another says the world is round or a person says the world is flat, and you don't have any reason to doubt them any at all, well, generally speaking you believe those people, don't you; isn't that the way life works?

MR. CRIST: Object to the form of the question.

THE WITNESS: I'm not sure where we're going.

MR. COOK: Well, we're going to trial.

Q (By Mr. Cook) Let me ask you how you evaluate things. Now a person who works at this hotel comes in and says, "Does everyone have their car windows rolled up; it's raining outside?" Now she says that to us. Since she doesn't appear to have any reason to be fabricating that, you'd probably believe her; wouldn't you?

A Probably so.

Q All right. If she came in and said, "It's raining outside and when you go to your car, you're going to get wet, but I have an umbrella I'm going to sell you for $50," then you'd probably want to look outside before you parted with the $50; wouldn't you?

A I guess so.

Q Because all of a sudden instead of being just a person who was stating something with no interest in it at

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghh07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

all, all of a sudden she has some type of interest in it, and she may very well be telling the truth; but you may want to look a little further?

A That's correct.

Q Okay. So the Surgeon General comes out and says, "Cigarette smoking may cause cancer," and I believe that you've said voluntarily that most people believe that's the case in this country; don't they?

A Uh-huh.

Q Now if somebody else came out though and disputed that publicly with large billboards with cowboys on them and said, "We put this warning down below, but we don't believe it's true," then the people might have some question about it; wouldn't they?

MR. CRIST: Object to the form of the question.

THE WITNESS: I don't think the fact that the cowboy is out there says anything that disputes what the Surgeon General is saying.

Q (By Mr. Cook) Well, let me tell you why I'm asking you these questions. Horace Kornegay from the Tobacco Institute--I believe you know Horace?

A I know of him, yes.

Q Have you met him?

A Yes.

Q A nice gentleman.

produced by RJRTC
MORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

A Seems to be.

Q --went around and said that the Surgeon General's statistics were fabricated; did you know that?

MR. CRIST: I object to the question.

THE WITNESS: I was not aware of that.

Q (By Mr. Cook) Do you approve of that?

A I'm not a--I cannot speak for Mr. Kornegay.

Q No, I didn't ask you to speak for Mr. Kornegay; he'll speak for himself. I'm asking you, Yancey Ford, Executive Vice President at RJR, do you approve of an official of the Tobacco Institute going around saying that the Surgeon General invented the statistics, the epidemiological studies that are the bases of these reports?

MR. CRIST: Object to the form of the question. No foundation.

Q (By Mr. Cook) Do you object to that?

A I think that is Mr. Kornegay's opinion.

Q You think it is?

A He said it; I didn't say it.

Q He may not have said it; I'm not under oath.

A I don't know.

Q Well, if he said it, do you object to it or do you think it's okay for you, the tobacco industry, to create the Tobacco Institute and get a messenger to go

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

around and say that the Surgeon General's Report is horse-hockey?

A I cannot--

MR. CRIST: Object to the form of the question.

THE WITNESS: I cannot comment on his opinion or statements.

MR. COOK: I didn't ask you to comment on his opinion. I asked you, do you object to it.

THE WITNESS: I cannot object to his opinion if that's his opinion. He has a right to say that. In this country you have a right to say what you think and what you believe.

Q (By Mr. Cook) Do you think it might mislead somebody if a former congressman from North Carolina went around and told people that the Surgeon General was making up the figures that are the bases for Deposition Exhibit No. 1, "Reducing the Health Consequences of Smoking"?

MR. CRIST: Object to the form of the question. It's hypothetical and has no foundation.

Q (By Mr. Cook) Do you think that's a responsible thing for your industry to do? You don't do it now; do you?

A We do not do it now.

Q Okay. If you did it before, was it responsible; if you did it in the late '60s and the early '70s, do you

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

think it was responsible or do you just not have an opinion one way or the other?

MR. CRIST: Object to the form of the question.

THE WITNESS: I don't have an opinion. I think that's his opinion.

Q (By Mr. Cook) Do you know who was paying him while he was giving that opinion?

MR. CRIST: Object to the form of the question.

Q (By Mr. Cook) Do you know who was paying him?

A He was being paid by the tobacco industry or the various companies.

Q He was paid by RJR Reynolds Tobacco Company and Philip Morris and Lorillard and American Tobacco Company; you know that, don't you?

A That's correct.

Q Perhaps the state of the art and these studies have changed and that was a fair statement to make in the 1960s and 1970s; I don't have any way of knowing that, and you don't either?

MR. CRIST: Object to the form of the question.

THE WITNESS: I don't know.

Q (By Mr. Cook) Do you recall when you were in your late 30s or late 20s and early 30s programs and advertisements by the tobacco industry questioning whether or not cigarette smoking was safe for people?

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

MR. CRIST: Is that when he got out of high school? I'm sorry; go ahead. I was being silly. Do you remember that stuff in your late 20s and early 30s?

THE WITNESS: You know, I don't know.

Q (By Mr. Cook) Would you personally approve of an advertisement by RJR Reynolds right now that said, "We don't think that cigarette smoking causes disease"?

A We have--let me answer that by saying that we have said there are risk factors associated with--

MR. COOK: You have to answer my question, Mr. Ford.

THE WITNESS: I'm trying to, sir, and my opinion--and my statement is that we have stated in ads back in the mid-'80s that there is a risk factor in the association between cigarette smoking, and I believe it was heart--was it heart--I'm not sure.

MR. CRIST: I'm not under oath.

THE WITNESS: I believe, and I'm not positive about that.

Q (By Mr. Cook) Let me ask you this just to test your memory a little bit. Do you remember what my question was at all?

A You asked me if we should run ads about health, smoking and disease.

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q You missed one word; I asked you whether or not you should run ads that stated that cigarette smoking does not cause disease.

A And I do not think we should; we should not run those.

Q Okay. And really with respect to the state of knowledge as far as you're concerned, that was true when you were in high school?

MR. CRIST: I object to the question, Bruce. I'm not making a connection here.

THE WITNESS: I don't--

MR. COOK: Well, I think that Mr. Ford--I don't know that it's necessary that you make the connection.

MR. CRIST: I understand but the question was confusing.

MR. COOK: But the question was--I believe Mr. Ford has said quite some time previously that he thinks that the general knowledge when he was 18 was that people generally thought there was a risk factor.

THE WITNESS: I think so.

MR. COOK: All right.

Q (By Mr. Cook) And you're probably aware that there were studies made in the late '40s and early '50s that were published in that scientific journal, "Reader's

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Digest," that suggested that cigarette smoking caused cancer; you're aware of that, aren't you?

MR. CRIST: Object to the form of the question, Bruce.

Q (By Mr. Cook) You're aware of it; aren't you?

A I'm aware of it.

Q Have you ever seen that "Reader's Digest" article?

A I have not.

Q Do you think that people who don't smoke or are not exposed to smoke get lung cancer?

A I don't know the answer to that because some of the studies that I have--some showed that it did and some of them didn't so I don't know.

Q Which study did you ever see that said it didn't?

A Are you talking about environmental tobacco smoke?

Q Any that said that cigarette smoke didn't cause cancer.

A I can't recall.

Q Did you happen to get a chance to look at the "Greensboro News & Record" articles about cigarette smoking and tobacco?

A I have not had that chance. I have had so many customers in town this week that I have not had a chance

produced by R.J.R.T.C. in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

to look at those. I will do that when I have a chance.

Q Well, I'll show you a little of them now.

A Okay.

Q I'm going to hand you what's been marked Deposition Exhibit No. 53, and I ask you to look at--which is a or which purports to be a newspaper article dated Sunday, September 27. I want you to look at the chart at the beginning of 53. That may very well come from the Surgeon General's Report; I'm not sure.

(Deposition Exhibit No. 53 was marked for identification)

MR. CRIST: It says, "For an agricultural service, U.S. Department of Agriculture," Bruce, is the source of it.

MR. COOK: Okay.

Q (By Mr. Cook) Have you ever seen a chart like that before?

A I have not.

Q If the chart is accurate, it seems to show that as cigarette consumption went up, lung cancer went up; doesn't it?

A You could gather that, yes.

Q Have you ever seen anything like that before?

A I have not.

Q Did you know that before World War I lung cancer

produced by RJRTC

MOORE In

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

was virtually unknown in the United States?

MR. CRIST: Object to the form of the question.

THE WITNESS: No, I did not know that.

Q (By Mr. Cook) Did you know that before World War I cigarette smoking was unknown in the United States?

A No, I was not aware of that.

Q With respect to sales in the Saint Louis area, do you interface from time to time with your local distributors of cigarettes?

A Occasionally, yes, sir.

Q Do you know Wayne Weeke?

A Yes, I do.

Q What is the nature of your acquaintanceship with Mr. Weeke?

A I have known Wayne at various conventions, trade shows. I have played golf with him a couple of times. He has been President of the now defunct candy wholesalers that were merged together with the tobacco distributors and a new group was formed last year. He was a driving factor in putting that group together.

Q He does both?

A Yes, he is a distributor of candy--

Q Candy and tobacco?

A Right.

Q When you play golf with him, where would you play

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

golf with him?

A It could be at a convention. For example, if the convention was in Boston, we may play golf in Boston.

Q Whose convention would it be, his group's?

A His group's, yes.

Q Do you have a Political Action Committee here at RJRT?

A Yes, we do.

Q Do you participate in that?

A Yes, I do.

Q How richly do you participate in it?

MR. CRIST: Let me--

MR. COOK: You don't like the choice of the terms?

MR. CRIST: I object to the language of it. I also object to the subject matter, Bruce.

THE WITNESS: Do I participate in it? I don't know how--I have a payroll deduction.

Q (By Mr. Cook) Do you understand that that Political Action Committee is for Federal candidates or is it for State and Local also?

A Primarily Federal.

Q Have you ever gone to the Tobacco Institute's functions when they entertain Federal officials?

A I have not.

produced by RJRTC in MOORE

51267 1524

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q Have you ever been to any functions where Federal officials have been entertained?

A I don't recall any.

Q I mean, do you guys ever invite Jesse Helms down here and play golf with him or anything like that?

A I've been--you know, they've been in that building, but I don't recall being at an affair. When I say "in that building," I mean they've been to--they'll come in and, you know, spend 15 minutes and talk about what they stand for on issues like that, and we've had--

Q You'd give them an honoraria for that?

A Yeah, that's true.

Q Would it be your understanding that you would pay their expenses down here?

A I don't know. I would guess that we would.

Q Why don't we talk about some of the people that you've seen down here to give speeches. I mentioned Mr. Helms just because he's a known tobacco--

A Yeah.

Q Jimmy Carter?

A I don't recall him.

Q Gephart?

A I don't recall him.

Q Robert Michael?

A I don't recall him.

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q Do you know who Robert Michael is?
A Yes, he's in the Senate--the House.
Q The House Minority?
A Right, I don't recall him.
Q Any of those boys from Texas, Wright?
A I don't remember.
Q Tony Coelo, do you know who Tony Coelo is?
A No, I do not.
Q What about Ben Hecht, do you know who he is?
A No.
Q H-E-C-H-T, he's a lobbyist in Washington, D.C.
A I don't know him.
Q Have you ever gone to any functions, any lobbying functions or any parties that are held in Washington for Federal officials?
A I have not.
Q Do you know who directs how the PAC money is spent at RJRT?
A Not totally--I would think that would be B. Oglesby's group.
Q Do you know Burley Leonard?
A Yes, I do.
Q I don't think he could ever throw a spitter; do you?
A I don't know.

produced by RJRTC in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694
http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q He doesn't look like it; does he?

A No.

MR. COOK: Off the record.

(Discussion off the record)

MR. COOK: Back on the record.

Q (By Mr. Cook) The cigarette companies have entered into I believe in 1962 a code with respect to advertising; are you somewhat familiar with that?

A Uh-huh.

Q And that's why they won't use baseball players or sports figures to advertise?

A That is true.

Q What do you think the rationale is behind that?

A I think it was--and this is my opinion but it was primarily not to associate our product with athletics as far as the athlete itself.

Q Because of kids putting them up on a pedestal, that type of thing?

A Possibly.

Q Is that "possibly" or is that what you really think the reason is?

A No, I think that's the real reason.

Q Why do you do the Winston Cup then; I mean, don't kids like that too?

A No, I think--I haven't seen the demographics on

produced by RJRTC
in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

this but having attended a number of those events, the majority of the people there are adults.

Q What about rock concerts, do you do promotion of rock concerts?

A Not to my knowledge--we haven't done--we may have done one in the past, but I don't recall it.

Q The same thing with using movie stars to advertise cigarettes?

A Uh-huh.

MR. CRIST: That is that we don't any longer?

THE WITNESS: We don't.

Q (By Mr. Cook) That you don't?

A No.

Q Because it may--kids see them as a role model?

A That's right.

Q Why do you think children start smoking?

A I think--well, you know, I think it's probably several things. I started because my roommate in college--

Q That would be peer--

A Peer pressure.

Q If their parents smoke?

A Possibly if parents smoke or lack of parental guidance.

Q Is it your experience that children do things to try and emulate their parents; they try to act like

produced by R.J.R.T.C.
in MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone: (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

grown-ups?

A Yes.

Q Do you have any sisters?

A I have one.

Q I bet this is a terrible way to analyze this but as my daughter was growing up, it seemed to me that, you know, she would wear her mom's high heel shoes and stuff like that because she liked her mom I guess.

A Uh-huh.

Q The boys sometimes tend to act like their dads.

A Sure.

Q What about the Marlboro man, what do you know about the Marlboro man; have you heard he died from lung cancer?

A I know they used several models.

Q I understand almost all of them have died from lung cancer.

A I don't know.

Q That was a very successful advertising scheme; was it not?

A It is perceived to be I think one of the better ones.

Q Do you know that as I have come--when I started this not knowing anything about cigarettes except that they were good with a beer--it seems to me that Marlboro hit it

produced by RJRTC

In MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

lucky, that that ad--you guys were stuck with a jingle and the jingle was very popular during the late '50s and early '60s and then they had this new advertising scheme that came out and boom, advertising was cut off. Do you feel that them cutting television and radio advertising off has favored PM in the continuing competitive relationship between RJR and PM?

A I think--I don't know whether they favor them or not. I think their brand may have been--maybe was better positioned or easily translatable into print from broadcast versus the Winston which was not as easily translatable.

Q Oh, I forget--"It's what's up front that"?

A "Counts."

Q "It's not how long you make it; it's how you"?

A "Make it long."

Q You've got a good memory. What do you think about the advertising campaign that Virginia Slims had about, "You've come a long way, baby"; what did you think that was to manifest?

A I think that it was probably centered around the--I hate to use the word "liberation," but I will use that because I can't think of a better one but the fact that women had become more a part of the work force and were not playing their traditional roles that they had in the past.

produced by RJRTC in MOORE

51267 1530

http://legacy.library.ucsf.edu/tid/ghh07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q You being 52 years old, you're probably aware of a period of time when it was not thought to be polite for a woman to smoke in public; are you aware of that?

A No, I'm not.

Q Do you target people by ethnic background for the sale of cigarettes?

A We have, yes.

Q Do you think that's appropriate?

A Yes.

Q You've targeted black people?

A Yes, we have.

Q What is the name of that brand you took off the market?

A Uptown.

Q And Dakota was for who?

A Both male and female smokers--that was primarily Marlboro smokers. Marlboro has got a 25 share.

Q What is Winston's share now?

A Somewhere between seven and eight.

Q Do you target any brand towards Hispanics?

A We have Hispanic programs, yes.

Q Do you have cigarette packs that have Hispanic labels on them or Spanish labels; excuse me?

A They have English, but we do the ads in both Spanish and English.

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q In the Sales Merchandiser that I have in my hand, it looks like J. A. Droulette--

A Droulette.

Q --Droulette was promoted to Regional Manager in Saint Louis, Missouri; is he still the Regional Manager there?

A No, he is not.

Q He's been promoted?

A Saint Louis being key market--I'm sure.

Q Who is the Regional Manager in Saint Louis now?

A Cheryl Van Horn-Dorn.

Q Where is her office?

A I don't have the address with me; it's somewhere in Saint Louis.

Q Do you divide the regions up by states?

A No.

Q So it's probably fair for me to assume that Cheryl Van Horn-Dorn has as one of her customers Wayne Weeke?

A That's correct.

Q I meant to ask you this, and I think--

A Let me--excuse me--I think that's true. It's possible that, you know, she--the boundaries may be so close that it could be in another region.

Q How many regions do you have?

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

A This is confidential--32.

Q It seems to me that probably if Saint Louis is a region, then Chicago is one too?

A Correct.

Q Cincinnati?

A Yes.

Q Kansas City or is that the same one?

A Kansas City is one also.

MR. CRIST: Those are confidential too, Yancey?

THE WITNESS: Well, that's pretty well--no, that's known. I mean, I just--

Q (By Mr. Cook) Memphis?

A Yes, we have one in Memphis.

Q Little Rock?

A Yes--well, no, I'm sorry; we closed the Little Rock office and moved it to Memphis. Those boundaries--there used to be one there.

Q More than one in Texas?

A We have one in Houston, one in Dallas and one in San Antonio.

Q How many in California?

A Three.

Q Let me guess--Los Angeles, San Francisco and Sacramento?

A Wrong--two in L.A.

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q Then one in Denver, and you probably hide out in Salt Lake City?

A We have a division office in Salt Lake City.

Q Do you ever get to go to the affair that the Tobacco Institute throws for the legislators in LaQuinta?

A No, I have not; you asked that earlier.

Q Did I ask you earlier?

A Yes.

Q Okay. Would Ms. Dorn, would she have people under her in southern Illinois where I am?

A She would.

Q Would any of them live in southern Illinois?

A I don't know; I would assume they do. If they work that area--we generally try to locate people in the approximate area that they work for economic reasons.

Q With respect to the advertising, how much of it is spent where--the advertising, things like that--that's out of your--

A That's out of my control.

Q What magazines do you take at home or at the office?

A Okay. I get "Time, Newsweek, Fortune Business Week, Lear's," my wife gets that, "Southern Living."

Q "Rolling Stone"?

A ~~No,~~ "House and Garden," and there's a bunch of

produced by RJRTC in MOORE

51267 1534

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

those garden magazines that come in, and I never look at them. There's probably others. I don't remember all of them.

Q Do you have anything to do with the Tobacco Action Network or have you ever?

A I do not have anything to do with it.

Q Have you ever?

A I have not participated in it.

Q Do most of your Regional Managers and your sales people belong to it?

A Quite a few of them do, yes.

Q Are they required to?

A No, they are not.

Q How many executive subordinates do you have?

A I have a total of eight.

Q Do most of them belong to the Political Action Committee?

A I do not know.

Q That isn't something that you would--

A No.

Q How long have you belonged to the PAC?

A Ten years--I really don't know. I can't tell you that. I don't remember.

Q How did you happen to join?

A I was solicited by the company.

produced by RJRTC in MOORE

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

Q Who?

A I don't remember.

Q And I believe you told me it's taken out, and you really don't know how much?

A I think it's taken out monthly, and I don't recall specifically how much.

Q Thousands?

A Oh, no.

Q Pardon me?

A Oh, no.

Q Hundreds?

A It's maybe one percent of my salary--maybe one percent; I'm not even sure it's that much.

MR. COOK: Okay. Thank you very much. That's all I have.

THE WITNESS: Okay.

(END OF THE EXAMINATION AT 11:35 A.M.)

produced by RJRTC
MOORE

Sandra Harper & Associates
501 Shepherd Street
Winston-Salem, N.C. 27103
Phone (919) 768-3694

http://legacy.library.ucsf.edu/tid/ghn07a00/pdf
Source: http://www.industrydocuments.ucsf.edu/docs/nmxl0001

CERTIFICATION

I, Sandra Harper, Notary Public in and for the County of Forsyth, State of North Carolina at Large, do hereby certify:

That there appeared before me the foregoing witness at the time and place herein aforementioned;

That the said witness was sworn by me to state the truth, the whole truth and nothing but the truth in said case;

That the testimony was taken before me by stenomask and thereafter reduced to typewriting under my supervision, and the foregoing seventy (70) pages contain a full, true and correct record of all the testimony given by said witness;

That the undersigned is not of kin, nor in any wise associated with any of the parties to said cause of action, nor their counsel, and that I am not interested in the event thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 12th day of October, 1992.

SANDRA H...
NOTARY PUBLIC
COUNTY OF FORSYTH
My Commission Expires September 15, 1995

Sandra Harper

Notary Public and Court Reporter

51267 1537

produced by RJRTC
MORE in

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001

WITNESS ERRATA SHEET

Upon review of the transcription of my testimony, the following changes and/or corrections should be made to my deposition:

PAGE	LINE	REASON FOR CHANGE
1	Case Caption	Delete all defendants except "CHARLES KUEPER"
1	Case Caption	Change "Plaintiffs" to "Plaintiff"
1	Case Caption	Change defendants to "R. J. REYNOLDS TOBACCO CO., et al."
2	7-1/2	Change "R.J.R." to "R. J. Reynolds Tobacco Co."
2	19	Add "R. J. Reynolds Tobacco Co." after title for Daniel W. Donahue
13	19	Change "Iaucco" to "Iauco"
20	22	Change "three" to ".3"
32	18	Change "$141,000" to "$121,000"
68	24 / 25	Rolling Stone is received in my office as a result of a "Complimentary" list. It is thrown away by my Executive Assistant, consequently I do not see them.
		?????

Yancey W. Ford Jr.

(YANCEY W. FORD)

produced by RJRTC in MOORE

51267 1539

http://legacy.library.ucsf.edu/tid/ghr07a00/pdf
Source: https://www.industrydocuments.ucsf.edu/docs/nmxl0001